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February 7, 2003

VIA FACSIMILE
& EXPRESS MAIL

Albert Zervas, Esq.
Trademark Trial and Appeal Board
South Tower Building
2900 Crystal Drive
Arlington, VA 22202

Re: Galleon S.V. v. Havana Club Holding, S.A. Cancellation No. 24,108

Dear Mr. Zervas:

This is in response to the letter from Martin Leroy of Fish & Neave requesting a ninety day extension ostensibly on behalf of Empressa Cubana Exportada De Alimentos y Productos Varios S.A., dba "Cubaexport." While Fish & Neave's probity is unquestioned, Fish & Neave has apparently overlooked the Board's Order in which Mr. Krinsky was identified as Cubaexport's counsel of record in this proceeding. In any event, Fish & Neave has taken no action to be formally substituted as counsel of record in Mr. Krinsky's place and has not served a notice of appearance on behalf of Cubaexport. Therefore, Fish & Neave is not empowered to act on Cubaexport's behalf for the purpose of seeking an extension or any other purpose.

Most importantly, Cubaexport has had the summary judgment papers for nearly a year and has had more than ample time to prepare any response to those papers. The requested extension is for purposes of delay. Mr. Krinsky, identified by the Board as Cubaexport's designated domestic representative, appeared in the prior court proceeding and in the present administrative proceeding prior to its suspension. On March 15, 2002, Mr. Krinsky was served with petitioners' summary judgment papers. Proskauer Rose, which also appeared for Cubaexport for the limited purpose of seeking a prior extension, also was served with those papers on March 15. The Board in its Order held that Mr. Krinsky is, according to the records of

the United States Patent and Trademark Office, the attorney of record upon whom all papers for Cubaexport should be served.

For the reasons amplified upon below, Fish & Neave should not be heard to act on behalf of Cubaexport, and in any event, no further request for extensions should be entertained.

A. Fish & Neave Should Not Be Heard To Act On Cubaexport's Behalf As It Has Not Complied With The Board's Order Or The TTAB Rules

The Order of the Board, dated January 21, 2003, noted that Mr. Krinsky remains "the domestic representative [for Cubaexport] identified in the records of the United States Patent and Trademark Office ("USPTO")" and ordered that "unless Cubaexport directs otherwise, all notices and orders in this proceeding for Cubaexport will be mailed to Mr. Krinsky and all papers to be served on Cubaexport . . . should be served on Mr. Krinsky." The records of the USPTO do not reflect any change in the original designation of Mr. Krinsky as domestic representative and neither Mr. Leroy nor his firm have served a substitution of counsel or a formal appearance on behalf of Cubaexport in this proceeding.

Fish & Neave is not barred from representing a Cuban national by the OFAC regulations. Fish & Neave's assertion that an OFAC license is necessary before they can appear on behalf of Cubaexport in this proceeding is contrary to the case law and OFAC's own position. The District of Columbia Court of Appeals held in *American Airways Charter v. Reagan*, 746 F.2d 865, 866-67 (DC Cir. 1984), that OFAC "lacks authority to condition the bare formation of an attorney-client relationship on advance government approval." To that end, in an article by its director, R. Richard Newcomb, entitled "Office of Foreign Assets Control, Coping With U.S. Export Controls," p. 143 (PLI 1999), OFAC acknowledged that it was permissible for an attorney, without a specific license, to represent a Cuban national when "that person is named as a defendant in or is otherwise made a party to a domestic U.S. legal, arbitration, or administrative proceeding." Nor is there any bar to Fish & Neave lawyers traveling to Cuba so long as such travel qualifies as "fully hosted," that is, the travel expenses are paid for by Cubaexport, which is the typical arrangement for attorneys' travel expenses in any event. *See* 31 C.F.R. § 515.420.

The OFAC regulations are just another smoke screen behind which Cubaexport is seeking further delay. Indeed, Cubaexport, it if wished to substitute counsel, should have done so months ago.

B. No Further Extension Of Time Should Be Granted

For over five years, Cubaexport, an entity of the Cuban government, and Havana Club Holding, S.A., a company partly owned by the Cuban government, have played a cat and mouse game with the courts and the U.S. Patent and Trademark Office, seeking to forestall judgment on the merits with respect to Cubapexport's claimed rights in the HAVANA CLUB trademark. Respondents' dilatory tactics commenced immediately after the District Court handed down its decision on August 8, 1997, invalidating Cubaexport's purported assignment of the HAVANA CLUB mark and cancelling any claim of HCH to any ownership interest in the related federal registration of the mark.[1] To delay the Court's entry of an order confirming its grant of partial summary judgment, Michael Krinsky, Esq., HCH's attorney, stated at a court hearing on September 2, 1997, that his firm "ha[d], in the past represented Cubaexport," and stated that he would go to Cuba and consult with Cubaexport about appearing in the pending HAVANA CLUB litigation to protect any interest Cubaexport claimed in the mark. Judge Scheindlin indicated that the Court would welcome Cubaexport's participation and delayed court proceedings pending Cubaexport's appearance. Mr. Kimsky subsequently advised the Court that he had no authority to appear on behalf of Cubaexport, that Cubaexport did not intend to appear voluntarily in the proceeding, and that he understood that Cubaexport would resist any effort to be brought into the case on sovereign immunity grounds. Thereafter, at every stage of the litigation, including HCH's unsuccessful appeal and its unsuccessful petition for a writ of *certiorari* to the U.S. Supreme Court, HCH sought to delay any rulings on the merits.

The chart below speaks for itself in showing the pertinacity of respondents' dilatory tactics in this proceeding:

Time Line Evidencing Delay

15 March 2002	Petitioners ("Bacardi") file a combined motion to resume proceedings, to substitute parties, and for summary judgment. Papers served on M. Krinsky, Esq. and C. Sims, Esq.
1 April 2002	Telephonic conference at respondents' request seeking 30-day extension of time to respond to Bacardi's motion. D. Mermelstein, Esq., over Bacardi's objection, grants 30-day extension of

[1] The track record of delay in the related federal proceeding is relevant to determining the *bona fides* of the latest request for an extension.

	the April 19th due date for filing responsive papers.
2 April 2002	Respondents, by letter dated April 2nd, seek further suspension of proceeding pending appeal.
24 April 2002	D. Mermelstein, Esq. enters order further suspending proceeding.
21 August 2002	Bacardi makes motion to resume proceedings after disposition of appeal.
10 September 2002	HCH, rather than responding on the merits, makes further groundless motion for suspension.
21 January 2003	Board joins Cubaexport and directs that responsive papers be filed within 40-days.
5 February 2003	Fish & Neave by letter seeks an immediate telephonic conference and an additional 90-days to respond to Bacardi's summary judgment papers.

There is no basis to entertain yet another request for an extension. The extension would result in inordinate delay by providing Cubaexport with nearly fifteen months to respond to Bacardi's summary judgment papers. Cubaexport and its counsel of record have already had Bacardi's papers for over eleven months and have been aware of Bacardi's arguments for over five years as they were originally made but not addressed in the court proceeding as Cubaexport declined to appear. Extensions are discretionary and extensions interposed for purpose of delay

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must be denied. *See Burak v. Epstein*, 1990 WL 129176 (S.D.N.Y.) (substitution of counsel denied where it would cause inordinate delay and prejudice parties).

Very truly yours,

KELLEY DRYE & WARREN LLP

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Charles Sims, Esq.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the LETTER ADDRESSED TO ALBERT ZERVAS, ESQ. was served by Facsimile and Express Mail at the following addresses:

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Dated: February 7, 2003

By: Kathryn Gravina
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